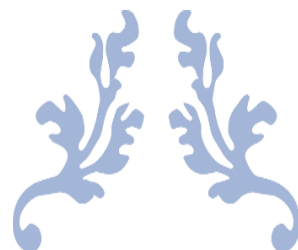


TRIPURA ELECTRICITY REGULATORY COMMISSION



TARIFF ORDER FOR FY 2022-23

Petition No: 2 (Truing up) of 2022 and 4 (MYT) of 2022



True-up of FY 2017-18 to FY 2019-20, Annual Performance Review of FY 2020-21 and ARR Determination for Generation, Transmission and Distribution Business for FY 2021-22 and FY 2022-23 and Retail Supply Tariff for FY 2022-23 of Tripura State Electricity Corporation Limited

September 02, 2022

Table of Contents

1	BACKGROUND AND SALIENT FEATURES OF THE ORDER	16
1.1	Background	16
1.2	Tariff Orders issued by the Commission earlier:	17
1.3	Admission of Current Petition filed by TSECL	18
1.4	Public Consultation Process	19
1.5	State Advisory Committee	21
1.6	Organisation of the Order	21
2	SUGGESTIONS/OBJECTIONS, TSECL'S RESPONSES AND COMMISSION'S RULING.....	22
2.1	Objection 1: Discount to Commercial Tariff to be given for Hospitals	22
2.2	Objection 2: No Increase in Tariff.....	23
2.3	Objection 3: Change in Tariff Category	24
2.4	Objection 4: Billing on Connected Load / Power Failure	24
2.5	Objection 5: Levy of Domestic Tariff for Military Establishments	25
2.6	Objection 6: No Tariff Hike.....	26
3	TRUING UP OF ARR FOR FY 2017-18 TO FY 2019-20, APR OF FY 2020-21 AND ARR OF FY 2021-22 AND FY 2022-23 FOR GENERATION BUSINESS	30
3.1	Background and Approach.....	30
3.2	Norms for Operations.....	31
3.3	Gross Generation and Net Generation	32
3.4	Plant Availability Factor.....	36
3.5	Station Heat Rate	38
3.6	Fuel Purchase Cost	40

3.7	Annual fixed charges (AFC).....	45
3.8	Operation & Maintenance Expenses	45
3.9	Depreciation	50
3.10	Interest on Working Capital	54
3.11	Return on Equity and Tax on Income	58
3.12	Non-Tariff Income	63
3.13	Sharing of Gains and Losses on Controllable Parameters	64
3.14	Summary of True-up for FY 2017-18 to FY 2019-20 and ARR for FY 2020-21 to FY 2022-23 66	
3.15	Generation Tariff for FY 2022-23	73
 4 TRUING UP OF ARR FOR FY 2017-18 TO FY 2019-20, APR OF FY 2020-21 AND ARR OF FY 2021-22 AND FY 2022-23 FOR TRANSMISSION BUSINESS ... 74		
4.1	Background and Approach.....	74
4.2	Transmission Loss.....	75
4.3	Annual Fixed Cost (AFC)	76
4.4	Operation & Maintenance Expenses	76
4.5	Depreciation	81
4.6	Interest and Finance Charges	83
4.7	Interest on Working Capital	84
4.8	Return on Equity and Tax on Return on Equity.....	85
4.9	Non-Tariff Income	89
4.10	Summary of True-up for FY 2017-18 to FY 2019-20 and ARR for FY 2020-21 to FY 2022-23 for Transmission Business	90
 5 TRUING UP OF ARR FOR FY 2017-18 TO FY 2019-20, APR OF FY 2020-21 AND ARR OF FY 2021-22 AND FY 2022-23 FOR DISTRIBUTION BUSINESS 93		
5.1	Background and Approach.....	93

5.2	Energy Sales.....	94
5.3	Distribution Loss.....	97
5.4	Energy Balance	100
5.5	Power Purchase	103
5.6	Intra-State Transmission Charges.....	107
5.7	Operation & Maintenance Expenses	108
5.8	Depreciation	114
5.9	Interest and Finance Charges	116
5.10	Interest on Working Capital	119
5.11	Return on Equity and Tax on Return on Equity.....	120
5.12	Non-Tariff Income	124
5.13	Sharing of Controllable Factor	126
5.14	Summary of ARR for FY 2017-18 to FY 2022-23	129
5.15	Revenue from Sale of Power.....	133
5.16	Revenue Gap/(surplus).....	135
6	COMPLIANCE TO DIRECTIVES OF THE COMMISSION.....	138
7	TARIFF PRINCIPLES AND DESIGN	139
7.1	Tariff Proposal for FY 2022-23	139
7.2	Wheeling Charges	141
7.3	Cross Subsidy	142
7.4	Cross-Subsidy Surcharge.....	143
7.5	Tariff Principles.....	147
7.6	Approved Tariff for FY 2022-23	151
7.7	Approved Miscellaneous and Other Charges for FY 2022-23.....	160

ANNEXURE 1: APPROVED TARIFF SCHEDULE FOR FY 2022-23	164
ANNEXURE 2: TARIFF SCHEDULE FOR FY 2022-23 AFTER CONSIDERING GOVERNMENT SUBSIDY.....	166
APPENDIX 1: NUMBER OF CONSUMERS FROM FY 2017-18 TO FY 2022-23(P)	169
APPENDIX 2: CONNECTED LOAD FROM FY 2017-18 TO FY 2022-23(P).....	170
APPENDIX 3: SALES (MU) FROM FY 2017-18 TO FY 2022-23(P).....	171